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A. Purpose and Description of Services

This Request for Proposal (RFP) is to solicit proposals to provide for acquisition of a diverse vehicle fleet to demonstrate the viability and functionality of hydrogen as a transportation fuel and of hydrogen powered vehicle technology, as described in SB 76, Chapter 91, Statutes of 2005.

The State of California is seeking the use of a diverse fleet of 14 hydrogen powered vehicles including light duty passenger vehicles, cargo vehicles and vans or buses to demonstrate the viability of hydrogen fuel and hydrogen vehicles for transportation. Vehicles will be leased for up to 24 months ending December 31, 2008. The vehicles will be used in State service as appropriate for the vehicle type. The proposer will be required to supply a new vehicle, driver training, educational materials, safety information, and maintenance for the vehicle. The end user will be the Air Resources Board, another State of California Agency or University to be identified after the vehicle selection process is completed. For more information see Exhibit A of the attached Sample Standard Agreement.

Contractors may propose to provide all or part of the desired fleet.

The term of this agreement will be 24 months, and agreement is budgeted for a maximum of \$1,000,000.

B. Background

The California Hydrogen Highway Network (CaH2Net) is a State initiative to promote the use of hydrogen as a means of diversifying our sources of transportation energy used, while ensuring environmental and economic benefits. To be implemented in three phases, the California Hydrogen Blueprint Plan outlines a path to 250 hydrogen fueling stations and 20,000 hydrogen fueled vehicles which will help set the stage for the eventual full-scale commercialization of these technologies.

The California legislature passed Senate Bill 76 (Chapter 91, Statutes of 2005) to further the goals of the California Hydrogen Blueprint Plan. The law provides funding for the state to lease a diverse fleet of up to 14 vehicles and to co-fund up to 3 demonstration hydrogen fueling stations in the state. This Request for Proposals (RFP) solely addresses the vehicle acquisition referenced in the bill.

Staff from the Sustainable Transportation Technology Branch of the Mobile Source Controls Division held five public workshops in late October and early November 2005 to solicit input from potential stakeholders. The workshops were well attended and staff received valuable input from all stakeholders. Motor vehicle manufacturers, vehicle conversion companies, hydrogen equipment manufacturers, energy providers, utilities, state and local government representatives, and the interested public were all in attendance.

A number of fuel cell vehicles and internal combustion engine vehicles using hydrogen are already operating in California and clearly meet the intent of SB 76. These include hybrid models that use hydrogen and onboard electricity storage to operate the vehicle. Other vehicles that operate on a combination of gaseous or liquid fuels such as bi-fueled or dual-fueled vehicles are not being considered in this solicitation. These multi-fuel vehicles have some opportunity to demonstrate the viability of hydrogen as a transportation fuel, but there are a number of issues that would compromise the value of demonstrating hydrogen as a motor vehicle fuel at this time. For example, a dedicated hydrogen internal combustion engine vehicle can be optimized for performance and emissions reductions whereas this opportunity is limited if operating to two different fuels. Also a Compressed Natural Gas (CNG) vehicle operating on 80% CNG and 20% hydrogen would have relatively low hydrogen use, would primarily demonstrate CNG use, and could be difficult to ensure the use of hydrogen. Multi-fuel vehicles would not maximize the support for a hydrogen infrastructure. Very few workshop participants encouraged consideration of dual-fuel and bi-fueled vehicles for the purposes of meeting the intent of SB 76.

Through this proposal process, successful proposers will enter into contracts with the ARB for the lease of the vehicles. Vehicles will be placed in service with State fleets or universities through agreements with the ARB. Vehicle placement may include universities with existing hydrogen fueling stations or State departments or agencies who are interested in supporting the California Hydrogen Highway Network and demonstrating hydrogen vehicles. The primary focus will be to place the vehicles where they can be used for public demonstration and meet general data collection and reporting requirements. The vehicles will be placed where there will be a sufficient number of miles traveled, compatibility with local fueling stations, and outreach efforts consistent with promoting the use of hydrogen as a transportation fuel. Preference will also be given to placing vehicles in interested communities that are disproportionately impacted by air pollution.

C. Minimum Qualifications for Proposers

1. Listed below are the minimum qualifications for Proposers submitting proposals in response to this RFP. The intent of the minimum qualifications is to ensure that the state receives vehicles able to meet demonstration requirements. This RFP is not intended to fund basic research, nor development and proof of a concept. The qualifications in the RFP are designed to ensure the state contracts with a viable business having a proven track record and a demonstrated ability to provide proven vehicles. The intent is not to exclude or eliminate Proposers of a specific size or affiliation but to ensure that the funds are only to be used in an appropriate manner that meets the states interest.

All Proposers must comply with criteria as presented in Exhibit A, Attachment 1 of the attached Sample Standard Agreement.

Part I. Hydrogen Powered Vehicle Lease

- A. Proposers must be qualified vehicle manufacturers who have manufactured a minimum of five (5) dedicated hydrogen fuel cell or ICE vehicles that have been sold or placed in demonstration programs, or shall have annual sales of on-road vehicles exceeding one million dollars (\$1,000,000).

Or,

- B. Proposers must be qualified contractors who convert internal combustion gasoline, diesel or CNG fueled vehicles to operate using a dedicated hydrogen fuel, including hybrid hydrogen-electric vehicles and must have successfully converted at least five (5) vehicles of each vehicle model submitted in a prospective proposal that have been sold or placed into a demonstration program, or shall have annual sales of on-road vehicles exceeding one million dollars (\$1,000,000).

PART II. Shuttle Bus Conversion.

For shuttle buses, Proposers may meet either A or B as identified in Part I.

Or,

- C. Proposers who do not meet qualifications in A or B above may propose bids for selection of up to two (2) shuttle bus conversions. Such contractors must submit competitive proposals for the turnkey design, engineering, equipment acquisition, conversion, testing, certification and maintenance service for previous conversions or first time conversions of passenger vans or buses to hydrogen fuel. Persons or firms or joint venture contractor firms submitting a proposal on the hydrogen bus ICE conversion must be qualified and experienced in designing, engineering, testing, evaluating, modifying, converting, and maintaining hydrogen

fueled vehicles. The qualified contractor must be able to deliver the converted prototype passenger van or bus no later than June 1, 2007.

D. Proposal Requirements and Information

1. Time Schedule

<u>Event</u>	<u>Date</u>	<u>Time</u>
RFP available to prospective proposers	4/07/06	N/A
Written Question Submittal Deadline	4/28/06	2:00 p.m.
Final Date for Proposal Submission	5/5/06 5/19/06	2:00 p.m.
Budget Submittal Opening	5/15/06 5/29/06	2:00 p.m.
Notice of Intent to Award	5/16/06 5/30/06	N/A
Proposed Award Date	6/15/06 6/30/06	N/A

2. Proposal

A. Proposers Qualifications and Experience

All Proposers shall provide information to demonstrate how they have met the minimum qualifications as detailed in Section C, Minimum Qualifications for Proposers, pg. 3. The proposal should provide clear, straightforward and concise descriptions of the Proposer's ability to satisfy the requirements of this RFP. The proposal must be complete and accurate.

Part I. Hydrogen Powered Vehicle Lease

Proposer must submit the following:

1. Resumes or similar statement of qualifications for project manager and subcontractors.
2. List of representative clients and hydrogen or other gaseous fuel vehicles designed and built over the last five years.
3. Summary of other relevant experience and training that demonstrates ability to perform this contract.

Part II. Shuttle Bus Conversion.

Proposer must submit the following:

1. Resumes or similar statement of qualifications for project manager and subcontractors
2. List of representative clients and hydrogen or other gaseous fuel vehicles designed and built over the last five years.
3. Summary of other relevant experience and training that demonstrates ability to perform this contract.
4. Examples of completed relevant projects with specifications and permission for the ARB to inspect the completed project and talk to the owners or users.
5. Must include detailed plans identifying the design, engineering, equipment acquisition, conversion, testing, certification, build out schedule and maintenance service planned for the proposed vehicle design.

B. Vehicle Description, Information, and Minimum Qualifications

All Proposers must provide a description of the vehicle attributes including technology type, performance characteristics, on board hydrogen storage capacity and unique features. The attributes for determining the vehicle scores should be summarized as specified in Exhibit A, Attachment 2 of the attached Sample Standard Agreement entitled "Individual Vehicle Information Sheet."

Vehicle Minimum Qualifications

Each vehicle must be a new on-road light duty passenger vehicle, passenger bus, van or cargo vehicle and must be able to be registered with DMV for use in California.

The vehicle must have been approved by the ARB for placement in an advanced technology demonstration program or must meet the following emissions criteria:

- Light duty vehicles must be ARB or federally certified to SULEV tailpipe emissions standards or better and have no evaporative emissions.
- Medium-duty or heavy-duty vehicles must be certified to 2005 or 2006 ARB emissions standards relevant to the vehicle or engine classification and have no evaporative emissions.

Proposers unable to show proof of meeting the emissions certification criteria for a proposed vehicle prior to the closing proposal date will not be considered

The vehicle must be certified in compliance with federal and state safety standards or have an appropriate experimental vehicle waiver. Fuel tanks installed in these vehicles shall conform to CSA/NGV2 published standard for compressed hydrogen storage.

The vehicle design and connection nozzle must be compatible to refuel at existing hydrogen stations in California and must have an on-board hydrogen leak detection system capable of isolating high voltage and hydrogen storage systems in the event of a leak or vehicle impact.

Any modification of an original gasoline- or diesel-fueled motor vehicle to allow the use of liquefied and gaseous hydrogen as a fuel shall not in its operation, function, or malfunction, result in any unsafe condition endangering the motor vehicle, its occupants, other persons, or property in close proximity to the vehicle, in accordance with the safety requirements specified for the original vehicle.

All vehicles must have a typical driving range greater than 50 miles. Plug-in capable vehicles must be able to operate for at least 50 miles on energy solely derived from the hydrogen fuel. The vehicle range must be established by the same methodology used for emissions certification.

Only vehicles operating solely on hydrogen or a combination of hydrogen and electricity will be considered. Dual fueled or bi-fueled vehicles will NOT be considered.

3. Cost Detail Format and Requirements

All proposed costs, including the monthly cost of the proposed lease vehicles should be broken down as specified in Attachment 3. Use the Proposer's Cost Sheet Form (Attachment 3) in preparing your cost proposal. If required, additional sheets may be attached.

4. Submission of Proposal

Proposals must contain three (3) separate parts and must be submitted in three (3) separate envelopes or packets: 1) Administrative Documents, 2) Proposal and 3) Budget Submittal Form and any associated documents.

- a. The Administrative Documents - Label the envelope or packet accordingly. The envelope or packet should contain the applicable **Attachments 1, 2, and 4-10**. Do not include any budget or technical documents in this envelope or packet.
- b. The Proposal and any associated documents - Label the envelope or packet accordingly. The envelope or packet should contain only the Technical Proposal and any documents relating to the technical aspects of this project. Do not include any administrative documents or Budget documents in this envelope or packet.
- c. The Proposer's Cost Sheet and any documents – Label the envelope or packet Proposer's Cost Sheet. The Proposer's Cost Sheet (Attachment 3) should be paginated as a stand-alone document using the page number format of "Page xx of xx".
- d. Proposals should provide straightforward and concise descriptions of the proposer's ability to satisfy the requirements of this RFP. The proposal must be complete and accurate. Omissions, inaccuracies or misstatements may be cause for rejection of a proposal.
- e. Proposals should be two-sided. To conserve paper, please use single or one-and-a-half spacing. Please do not include large company brochures. The proposal must contain the following parts:
 - (1) Title page. The purpose of this page is to provide in one location information needed by ARB administrative staff. It must contain the following items:
 - (a) the title of the proposal, which must be the same as the title of the RFP;
 - (b) the name, title, and signature of official authorized to bind the proposal;
 - (c) a statement that the proposal was prepared for the ARB's Mobile Source Operations Division;
 - (d) the name and address of your company [NOTE: You may use a Post Office box, but please provide your company's street address for our records]; and
 - (e) the date of the proposal.
 - (2) Table of Contents.
 - (3) Abstract. A one-page abstract of the proposed project briefly summarizing the main point of the various sections of the proposal.
 - (4) Due to limited storage space, the proposal package should be prepared in the least expensive method (i.e., cover page with staple in upper left-hand corner, no fancy bindings).
- f. All proposals must be submitted under **sealed** cover and sent to the Air Resources Board by dates and times shown in Section C, Proposal Requirements and Information, Item #1 Time Schedule. Proposals received after this date and time will not be considered.
- g. A minimum of ten (10) copies of the technical proposal must be submitted, along with one (1) original. For the Administrative and Budget portions, only one (1) original is required for submission.

- h. The original proposal must be marked "ORIGINAL COPY". All documents contained in the original proposal package must have original signatures and must be signed by a person who is authorized to bind the proposing firm. All additional proposal sets may contain photocopies of the original package.
- i. The proposal envelopes must be plainly marked with the RFP number and title, your firm name and address, and must be marked with "DO NOT OPEN" in Red Lettering, as shown in the following example:

RFP #05-610
Demonstration of a Diverse Fleet of Hydrogen Powered Vehicles
Jennifer Ramos
ASD – 20th Floor
Air Resources Board, 1001 I Street, P.O. Box 2815, Sacramento, CA 95812

DO NOT OPEN

- j. If the proposal is made under a fictitious name or business title, the actual legal name of proposer must be provided on the Proposal/Proposer's Certification Sheet (see Attachment 2).
- k. Proposals not submitted under sealed cover and marked as indicated will be rejected.
- l. All proposals shall include the documents identified in Required Attachment Checklist (see Attachment 1). Proposals not including the proper "required attachments" shall be deemed non-responsive, thus ineligible for award. A non-responsive proposal is one that does not meet the basic proposal requirements.
- m. Mail or deliver proposals to the following address:

<u>U.S. Postal Service Deliveries</u> Jennifer Ramos Air Resources Board Administrative Services Division P.O. Box 2815 Sacramento, CA 95812	<u>Hand Deliveries</u> (UPS, Express Mail, Federal Express) Jennifer Ramos Air Resources Board Administrative Services Division 1001 I Street Sacramento, CA 95814
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- n. Proposals must be submitted for the performance of all the services described herein. Any deviation from the work specifications will not be considered and will cause a proposal to be rejected.
- o. A proposal may be rejected if it is conditional or incomplete, or if it contains any alterations of form or other irregularities of any kind. The State may reject any or all proposals at its discretion or if any deviations are considered material, and may waive an immaterial deviation in a proposal. The State's waiver of an immaterial deviation shall in no way modify the RFP document or excuse the Proposer from full compliance with all requirements if awarded the agreement.
- p. Costs incurred for developing proposals and in anticipation of award of the agreement are entirely the responsibility of the Proposer and shall not be charged to the State of California.
- q. An individual who is authorized to bind the proposing firm contractually shall sign the Attachment 2, Proposal/Proposer Certification Sheet. The signature must indicate the title or position that the individual holds in the firm. An unsigned proposal may be rejected.

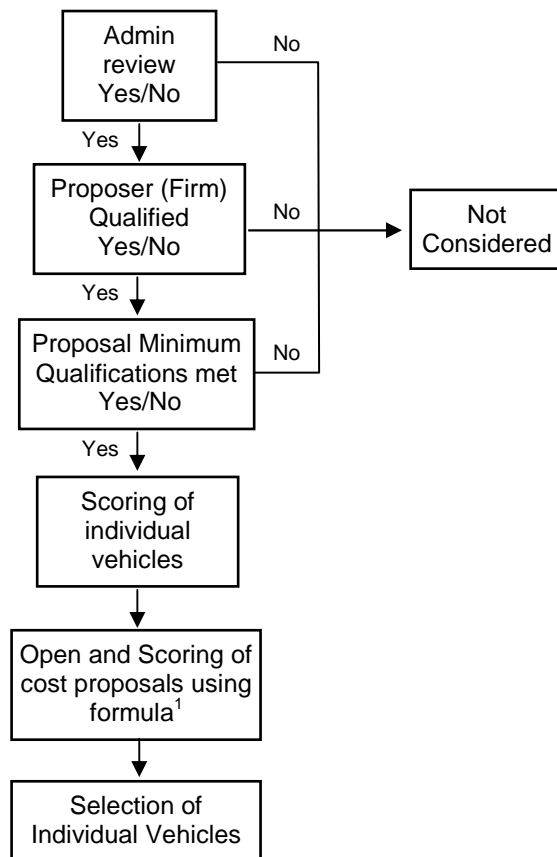
- r. A Proposer may modify a proposal after its submission by withdrawing its original proposal and resubmitting a new proposal prior to the proposal submission deadline as set forth in the Time Schedule. Proposal modifications offered in any other manner, oral or written, will not be considered.
- s. A Proposer may withdraw its proposal by submitting a written withdrawal request to the State, signed by the Proposer or an authorized agent in accordance with "r." above. A Proposer may thereafter submit a new proposal prior to the proposal submission deadline. Proposals may not be withdrawn without cause subsequent to proposal submission deadline.
- t. The awarding agency may modify the RFP prior to the date fixed for submission of proposals by the issuance of an addendum to all parties who received a proposal package.
- u. The awarding agency reserves the right to reject all proposals. The agency is not required to award an agreement.
- v. Before submitting a response to this solicitation, Proposers should review, correct all errors and confirm compliance with the RFP requirements.
- w. Where applicable, Proposer should carefully examine work sites and specifications. Proposer shall investigate conditions, character and quality of surface or subsurface materials or obstacles that might be encountered. No additions or increases to the agreement amount will be made due to a lack of careful examination of work sites and specifications.
- x. More than one proposal from an individual, firm, partnership, corporation or association under the same or different names, will not be considered. Reasonable grounds for believing that any proposer has submitted more than one proposal for the work contemplated herein will result in the rejection of all proposals submitted by that Proposer. If there is reason for believing that collusion exists among the proposers, none of the participants in such collusion will be considered in this or future agreements.
- y. The State does not accept alternate contract language from a prospective contractor. A proposal with such language will be considered a counter proposal and will be rejected. The State's General Terms and Conditions (GTC) are not negotiable. The GTC may be viewed at Internet site www.ols.dgs.ca.gov/Standard+Language.
- z. No oral understanding or agreement shall be binding on either party.

5. Evaluation Process

- a. At the time of proposal opening, each proposal will be checked for the presence or absence of required information in conformance with the submission requirements of this RFP.
- b. The State will put each proposal through a process of evaluation to determine its responsiveness to the State's needs.
- c. Proposals that contain false or misleading statements, or which provide references that do not support an attribute or condition claimed by the Proposer, will be rejected.
- d. For all proposals which meet the minimum qualifications for both Proposer and vehicle, each individual vehicle proposal will be assigned a score. It is the goal of this selection process to select the most diverse fleet possible. Selections will be made to the limits of funding and up to the limit of two (2) internal combustion engine shuttle buses and twelve (12) other hydrogen powered vehicles. The selection will be made as follows:

- First, the highest scoring six (6) vehicles will be selected, regardless of hydrogen powered technology.
- Second, if a minimum of three (3) fuel cell vehicles are not included as vehicles one through six, the highest scoring fuel cell vehicles will be selected until three (3) fuel cell vehicles have been selected. Additional vehicles will be selected by remaining highest score to reach a total of nine (9).
- Third, if two (2) internal combustion engine shuttle buses have not been selected at this point, they will be selected to reach up to the limit of two (2).
- Finally, additional vehicles will be selected regardless of hydrogen powered technology from the remaining pool of vehicles.

e. Review Process



1. Cost Score
$$\frac{(30X (\text{Highest Proposed Bid minus Cost of Bid Under Review}))}{(\text{Highest Proposed Bid minus Lowest Proposed Bid})}$$

f. Proposal Evaluation

1) Phase I

- The Administrative Documents will be reviewed for compliance with the requirements of this RFP.
- Proposals will be reviewed for compliance with the minimum qualifications. The proposals that meet the minimum qualifications will be evaluated for Vehicle Desirable Qualifications and scored according to the criteria listed below. A

responsive proposal is one, which meets or exceeds the requirements stated in this RFP.

- c) Individual Vehicle Identification Sheet: A number of items will be scored based on the technical information pertinent to each vehicle. The items that will be scored are listed in Exhibit A, Attachment 2, entitled Individual Vehicle Information Sheet. Proposer must complete a separate sheet for each vehicle proposed for lease. The form should identify a unique vehicle identifier for each vehicle. If the vehicle has already been manufactured the application should use the vehicle identification number (VIN). If the proposed vehicle has not been manufactured assign a unique id number.
- d) The items to be scored are the following:

Vehicle Desirable Qualifications

Rating/Scoring Criteria	Maximum Possible Points
1. Vehicle Technology	10
2. Vehicle Diversity	Zero. Negative points (-10) will accrue for 5 th to 10 th vehicle of same model offered by the same proposer
3. Driving Range	10
4. Passenger Seating Capacity	10
5. Cargo Capacity	5
6. Fast Fill Communication	10
7. Electronic Navigation System	5
8. Other Innovative Technologies	10
TOTAL SCORE	60

The following guidelines will be used by all reviewers in evaluating proposals submitted in response to this RFP. Each individual vehicle will be evaluated separately and assigned its own score based upon the criteria described below.

1. VEHICLE TECHNOLOGY (Maximum of 10 points)

For each individual vehicle, indicate the description that best describes the vehicle type.

Scoring: Fuel cell vehicle (FCV) = 10 points
 Hybrid Hydrogen Electric ICE = 5 points
 Hydrogen Internal Combustion Engine (ICE) = 0 points

2. VEHICLE DIVERSITY (Maximum of zero points. Negative points may accrue)

In the event that more than four vehicles of the same model are proposed to be provided by any single proposer, 10 points will be subtracted from the total score of additional vehicles beyond the first four. This increases the likelihood of selecting a diverse fleet of vehicles.

Scoring for each individual vehicle: 5th or greater of same model from same Proposer = - 10 points.

3. DRIVING RANGE (Maximum of 10 points)

For each individual vehicle state the vehicle range in miles as determined by the methodology used for emissions certification.

Scoring: Less than or equal to 100 miles = 0 points
 Greater than 100 miles = 5 points
 Greater than 150 miles = 10 points

4. PASSENGER SEATING CAPACITY (Maximum of 10 points)

For each individual vehicle, identify the number of people the vehicle is designed to transport in its delivered seating configuration.

Scoring: Driver and less than 3 passengers = 0 points
 Driver and 3 to 7 passengers = 5 points
 Driver plus 8 or more passengers = 10 points

5. CARGO CAPACITY (Maximum of 5 points)

For each individual vehicle, identify the net cargo weight capacity (pounds) of the vehicle. If the vehicle capacity does not exceed the minimum required for a score, simply write NA.

Scoring: For cargo capacity 2000 lbs or more = 5 points

6. FAST FILL COMMUNICATION (Maximum of 10 points)

Defined as: Able to use a refueling protocol that includes data transmission from the vehicle fuel tank to the dispenser to more accurately compute the needed heat of compression compensation for dispensing compressed hydrogen.

Scoring for each individual vehicle: Meets fast fill definition = 10 points

7. ELECTRONIC NAVIGATION SYSTEM (Maximum of 5 points)

Defined as: Electronic global positioning navigation system using a graphical display identifying the vehicle and California hydrogen station locations.

Scoring for each individual vehicle: Possesses Electronic Navigation System meeting described definition = 5 points

8. OTHER INNOVATIVE TECHNOLOGIES (Maximum of 10 points)

For each vehicle, identify which features are uncommon or unique relative to other fuel cell or hydrogen vehicles being demonstrated in California. This includes use of unusual innovative technologies to further the development and demonstration of future hydrogen vehicle designs. Innovative items include metal hydride storage, ICE direct injection, 10,000 psi. compressed hydrogen, electric plug in feature, or other innovative features relevant to future hydrogen vehicle development. (An electric plug in feature allows an onboard battery to be recharged from an offboard source of electricity to supplement the propulsion energy supplied by the onboard hydrogen

power plant. The electric energy stored on the vehicle must be sufficient for the vehicle to be driven at least 20 miles solely on the electric energy.)

Scoring for each individual vehicle: If one or more innovative technologies included
= 10 points

g) Preferences Identified by the Proposer

Proposers may identify preferences. Preferences, if any, should be listed on Exhibit A, Attachment 2, entitled Individual Vehicle Information Sheet. Preferences identified by a proposer are items that do not affect the score and may or may not be accommodated by the ARB.

Any vehicles acquired through this proposal process will likely be sited with a State agency or university at the discretion of the Air Resources Board. The vehicle siting is not part of the RFP. Any vehicle may be transferred to another user during the term of the lease for any reason including if it becomes clear the intent of demonstrating the vehicle is not being met.

Items identified in a proposal such as preferences for siting a vehicle with a specific state agency or identifying what fueling stations already have contractual relationships with the vehicle supplier will not affect the proposal or proposal score. If such preferences are consistent with the goals of demonstrating the use of the vehicle and data collection, the ARB will attempt to accommodate the request; however, the ARB retains the discretion on who will be the user of the vehicle and provides no guarantees.

h) Limitations Identified by the Proposer

Proposers may identify limitations for vehicles. Limitations, if any, should be listed in Exhibit A, Attachment 2, entitled Individual Vehicle Information Sheet.

Because there are a number of demonstration programs already in California and manufacturers are still collecting information about their vehicles there may be limitations associated with the use of the vehicle and must be clearly identified in the proposal proposal. For example, most fuel cell vehicles require a higher degree of hydrogen purity than an ICE. In this case it is appropriate to identify what stations have acceptable quality fuel and what the hydrogen purity requirement is to refuel the vehicle. The proposer may also have a relationship with an existing State fleet like a University of California (UC) site or California State University (CSU) that can be leveraged to demonstrate additional vehicles. The proposer may specify that the proposal is contingent upon placing the vehicle in service with a specified State fleet provided the proposal is able to substantiate how the vehicle demonstration goals will be met.

The only conditional items that may be identified in a proposal are the following:

- Limitations on use of fueling stations resulting from fuel quality incompatibility with certain hydrogen stations or types of stations (also identify the fuel quality required). Also identify known technical fueling incompatibility issues with certain stations such as liquid hydrogen dispensing, incompatible on-board tank pressures.
- Limitations for siting vehicles at a specified State fleet where an existing demonstration program can be leveraged while meeting the demonstration goals.

Nearly all other limitations or conditions identified in a proposal will make the proposal non-responsive. Any other conditions should not be identified in a proposal package, unless purely technical in nature. Any such conditions will be considered but the sole discretion lies with the ARB on whether to accept other limitations. Proposals that are determined to be not responsive will not be considered.

2) Phase II – This phase consists of opening and evaluating the sealed cost proposals.

Following scoring of individual vehicle's Desirable Qualifications, cost sheets for qualified proposals will be opened, and individual vehicles will be awarded cost points. These cost points will be added to the scored criteria vehicle points. Points will be awarded as follows:

$$\text{Vehicle Cost Score} = \frac{(30 \times (\text{Highest Proposed Bid minus Cost of Bid Under Review}))}{(\text{Highest Proposed Bid minus Lowest Proposed Bid})}$$

The vehicles with the highest total scores will be accepted subject to the selection criteria, until funds have been exhausted or until a maximum of two (2) internal combustion engine shuttle buses and twelve (12) other hydrogen powered vehicles have been selected.

6. Award and Protest

- a. Notice of the proposed award (Letter of Intent to Award) shall be posted in the lobby of the California Environmental Protection Agency building at 1001 I Street, Sacramento, California 95814 for five (5) working days prior to awarding the agreement.
- b. If any proposer, prior to the award of agreement, files a protest with the Air Resources Board and the Department of General Services, Office of Legal Services, 707 Third Street, 7th Floor, Suite 7-330, West Sacramento, CA 95605, on the grounds that the (protesting) proposer would have been awarded the contract had the agency correctly applied the evaluation standard in the RFP, or if the agency did not follow the evaluation and scoring methods in the RFP, or that the ARB failed to follow the procedures specified in either subdivision (b) or (c) of Public Contract Code section 10344, the agreement shall not be awarded until either the protest has been withdrawn or the Department of General Services has decided the matter. It is suggested that you submit any protest by certified or registered mail.
- c. Within five (5) days after filing the initial protest, the protesting proposer shall file with the Department of General Services, Office of Legal Services and the Air Resources Board a full and complete written statement specifying the grounds for the protest. The written protest must be sent to the Department of General Services, Office of Legal Services, 707 Third Street, 7th Floor, Suite 7-330, West Sacramento, CA 95605. It is suggested that you submit this complete written statement by certified or registered mail.

7. Disposition of Proposals

- a. Upon proposal opening, all documents submitted in response to this RFP will become the property of the State of California, and will be regarded as public records under the California Public Records Act (Government Code Section 6250 et seq.) and subject to review by the public.
- b. Proposal packages may be returned only at the proposer's expense, unless such expense is waived by the awarding agency.

8. Agreement Execution and Performance

- a. Performance shall be available on the express date set by the awarding agency and the Contractor, after all approvals have been obtained and the agreement is fully executed. Should the Contractor fail to commence work at the agreed upon time, the awarding agency, upon five (5) days written notice to the Contractor, reserves the right to terminate the agreement. In addition, the Contractor shall be liable to the State for the difference between Contractor's proposal price and the actual cost of performing work by the second lowest proposer or by another contractor.
- b. All performance under the agreement shall be completed on or before the termination date of the agreement.

E. Preference Programs

1. Small Business Preference

Overview. The State of California provides a five percent (5%) preference to Small Business proposers. This 5% preference is also provided to Non-Small Businesses that commit to subcontract, with one or more California-certified small business(es), at least 25% of the net bid price, as specified below. The standard contract language for the preference programs can be found at <http://www.pd.dgs.ca.gov/smbus/default.htm>. For the purposes of this section, the definitions specified in Title 2, California Code of Regulations (CCR), §1896.4 shall apply unless otherwise noted. Also, "ARB" and "awarding department" shall have the same meaning and are used interchangeably.

Questions regarding certification of small businesses should be directed to the Office of Small Business and DVBE Certification (OSDC) at (916) 375-4940.

- a. Application of the Small Business and Non-Small Business Subcontractor Preferences
 - (1) A small business will be granted a five percent (5%) small business preference on a bid evaluation by the ARB when the responsible non-small business has submitted the lowest-priced, responsive bid or a bid that has been ranked as the highest scored bid pursuant to a solicitation evaluation method described in Title 2, CCR, §1896.8., and when the small business:
 - (a) Has included in its bid a notification to the ARB that it is a small business or that it has submitted to the OSDC a completed certification application and required support documents pursuant to Title 2, CCR, §1896.14 no later than 5:00 p.m. on the bid due date. The OSDC must be able to approve the application as submitted, and the applicant is subsequently certified by the OSDC as a small business; and
 - (b) Has submitted a timely, responsive bid; and
 - (c) Is determined to be a responsible proposer.
 - (2) A non-small business proposer will be granted a five percent (5%) non-small business subcontractor preference on a bid evaluation by the ARB when the responsible non-small business proposer has submitted the lowest-priced responsive bid or a bid that has been ranked as the highest scored bid pursuant to a solicitation evaluation method described in Title 2, CCR, §1896.8., and when the non-small business proposer:
 - (a) Has included in its bid a notification to the ARB that it commits to subcontract at least twenty-five percent (25%) of its net bid price with one or more small business(es); and
 - (b) Has submitted a timely, responsive bid; and

- (c) Is determined to be a responsible proposer; and
- (d) Submits a list, which must be attached to the bid response, of the small business (es) it commits to subcontract with for a "commercially useful function" in the performance of the contract. Winning Proposer must provide description of work provided by the subcontracted small business. The list of subcontractors shall include: (1) subcontractor name, (2) address, (3) phone number, (4) a description of the work to be performed and/or products supplied, (5) the dollar amount or percentage of the net bid price (as specified in the solicitation) per subcontractor. Each listed certified small business must perform a "commercially useful function" in the performance of the contract as defined in Government Code §14837(d)(4), and (6) signed statement under penalty of perjury that the subcontractors are registered with the State of California as a small business. Statement must be signed by each subcontracted small business and winning Proposer. Statement must include small business certification number and expiration date.

b. Substitution of a Small Business Subcontractor

- (1) After award of a contract based in part on the application of the Non-Small Business Subcontractor preference in subsection D.1.a.(2) above, the contractor must use the small business subcontractor(s) and/or supplier(s) proposed in the bid to the State unless a substitution is requested in writing to the awarding department and the awarding department approves the substitution in writing prior to the commencement of any work. The substitution request must include at least the following:
 - (a) An explanation of the reason for the substitution.
 - (b) The contractor must substitute a small business with another small business. However, if the small business substitution cannot occur, the contractor must include a written justification and the steps that were taken to try to acquire a new small business subcontractor and how that portion of the contract will be fulfilled.
 - (c) A description of the work to be performed, identified both as a task(s) and as a dollar amount or percentage of the overall contract that the substituted business will perform. The substituted business(es), if approved, shall be required to perform a commercially useful function in the contract as defined in Government Code §14837(d)(4) and pursuant to subsection D.1.a.(2) above.
- (2) The request for substitution of a small business and the awarding department's approval or disapproval cannot be used as an excuse for noncompliance with any other provision of law, including but not limited to, the Subletting and Subcontracting Fair Practices Act (§4100 et seq., Public Contract Code) or any other contract requirements relating to substitution of subcontractors.
- (3) If a contractor requests substitution of its subcontractor(s)/supplier(s) by providing a written request to the awarding department in accordance with Title 2, CCR, §1896.10, the awarding department may consent to the substitution in any of the situations set forth in Public Contract Code §4107 of the Subletting and Subcontracting Fair Practices Act.
- (4) Prior to approval of the prime contractor's request for the substitution, the awarding department, or its duly authorized officer, shall give notice in writing to the listed subcontractor of the prime contractor's request to substitute and the reasons for the request to substitute. The notice shall be served by certified or registered mail to the last known address of the subcontractor. The listed subcontractor that has been so notified shall have five (5) working days after the receipt of the notice to submit written objections to the substitution to the awarding department. Failure to file these written objections shall constitute the listed subcontractor's consent to the substitution. If

written objections are filed, the awarding department shall give notice in writing of at least five (5) working days to the listed subcontractor of a hearing by the awarding department on the prime contractor's request for substitution.

- (5) Failure of the contractor to subcontract with the small businesses listed on its bid to the State or follow these substitution rules may be grounds for the department to impose sanctions pursuant to Government Code §§14842.5 and 1896.16. In the event such sanctions are to be imposed, the contractor shall be notified in writing and entitled to a hearing pursuant to Title 2, CCR, §§1896.18 and 1896.20.
2. Target Area Contract Preference Act (TACPA) - www.pd.dgs.ca.gov/disputes
3. Local Agency Military Base Recovery Area (LAMBRA) Act - www.pd.dgs.ca.gov/disputes
4. Enterprise Zone Act (EZA) - www.pd.dgs.ca.gov/disputes

F. Required Attachments

1. DVBE Requirements

An explanation of the Disabled Veteran Business Enterprise Program (DVBE) requirements can be found at the Internet web site www.pd.dgs.ca.gov/dvbe. Select "DVBE Resource Packet" under "Related Links".

The DVBE package and the required submittal forms can be found at the Internet Website www.pd.dgs.ca.gov.

Refer to the following pages for additional Required Attachments that are a part of this agreement.